COPY

RECORDING REQUESTED BY,
AND WHEN RECORDED, RETURN TO:

JOHN A. ADAMSKI, A.P.C.
600 "B" Street, Suite 2140
San Diego, California 92101-4523
Telephone: 619/231-5900

THE ORIGINAL OF THIS DOCUMENT WAS RECORDED ON 6-5-85 IN THE OFFICIAL RECORDS OF THE SAN DIEGO COUNTY RECORDER AS DOCUMENT FILE/PAGE NO. 85-199875.

--------------- SPACE ABOVE THIS LINE FOR RECORDER'S USE ---------------

RESTATEMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
LA JOLLA RACQUET CLUB
(Including Amendments)

THAT CERTAIN Declaration of Covenants, Conditions and Restrictions (hereinafter "Declaration") recorded March 1, 1973 in the Office of the San Diego County Recorder, San Diego, California as Document File/Page No. 73-054682, together with amendments of record thereto filed with the Office of the San Diego County Recorder, San Diego, California, IS HEREBY RESTATED IN ITS ENTIRETY pursuant to Article IX, Section 9.4 and Article VIII, Paragraph (k) of said Declaration, all as more particularly set forth in Exhibit "A" attached hereto and incorporated herein in full by this reference.

THIS RESTATEMENT OF DECLARATION of Covenants, Conditions and Restrictions (Including Amendments) affects that certain real property located in the City of San Diego, County of San Diego, State of California more particularly described as:

> Lot 1 of TORREY PINES ARROYO, according to Map thereof No. 5910 filed in the Office of the County Recorder of San Diego County July 7, 1967.

WHEREFORE, the undersigned, being duly authorized members of the Board of Directors of the La Jolla Racquet Club Condominium Owners' Association, Inc., a California nonprofit corporation, are recording this Restatement of Declaration of Covenants, Conditions and Restrictions (Including Amendments) on behalf of the Association.

DATED: 3rd June 1985

LA JOLLA RACQUET CLUB CONDOMINIUM OWNERS' ASSOCIATION, INC.,
a California nonprofit corporation

By Stanley Neville Dowding - President

By Nancy Bevan Ward - Secretary

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On June 3, 1985, before me, the undersigned, a Notary Public in and for said County and State, personally appeared STANLEY NEVILLE DOWDING and NANCY BEVAN WARD, known or proved to me on sufficient evidence to be the Secretary and President, respectively, of the corporation which executed the within instrument, known to me or proved to me on sufficient evidence to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that they executed the same pursuant to a resolution of said corporation's Board of Directors.

WITNESS my hand and official seal.

OFFICIAL SEAL
... N TOCKSTEIN
... PUBLIC - CALIFORNIA
... COUNTY
... MAR 8, 1989

[signature]
NOTARY PUBLIC IN AND FOR
SAID COUNTY AND STATE

RESTATEMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
LA JOLLA RACQUET CLUB
(Including Amendments)

THIS RESTATEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS LA JOLLA RACQUET CLUB restates and amends that certain Declaration of Covenants, Conditions and Restrictions of La Jolla Racquet Club executed on February 23, 1973 by LINCOLN-BREN JOINT VENTURE and recorded March 1, 1973 as Document File/Page No. 73-054682, together with any amendments of record thereto filed with the Office of the San Diego County Recorder, San Diego, California, all as hereinafter more fully set forth.

HISTORICAL RECITALS

WHEREAS, Lincoln-Bren Joint Venture, a joint venture of Lincoln Property Company No. Fifty, Inc., a California corporation, and Peter Bren ("Declarant") is the owner of certain real property in the City of San Diego, County of San Diego, State of California, described as:

> Lot 1 of TORREY PINES ARROYO, according to Map thereof No. 5910, filed in the Office of the County Recorder of San Diego County July 7, 1967;

and

WHEREAS, said real property is improved with a 64-unit, three-story apartment building and appurtenant parking and recreational facilities, landscaping, and related improvements, all of which improvements together with said real property are herein together called the "Project"; and

WHEREAS, it is the desire and intention of Declarant to sell and convey Condominiums in the Project subject to the covenants, conditions and restrictions set forth in this Declaration;

NOW, THEREFORE, Declarant hereby declares that the Project shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are in furtherance of a plan for the sale of Condominiums therein, and which are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Project. All of the covenants, conditions and restrictions herein set forth shall run with the Project and shall be binding on all parties having or acquiring any right, title or interest in the Project or any part thereof, and shall be for the benefit of each owner of any portion of the Project, or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of such owners. The Project is intended to be made subject to each and all of the provisions of Sections 1350 through 1359 of the Civil Code of California. There has been recorded or will be recorded concurrently herewith a plan with respect to the Project (the "Condominium Plan") as required by Civil Code Section 1351, and this Declaration is made in compliance with Civil Code Section 1355.

R E C I T A L S

I. It is the intent and purpose of this Restatement and Amendment to the above described Declaration of Covenants, Conditions and Restrictions La Jolla Racquet Club to restate and amend said Declaration as hereinafter provided and to restate the same into a single instrument for the benefit of the record owners within La Jolla Racquet Club and for the further benefit of the La Jolla Racquet Club Condominium Owners' Association, Inc., a California nonprofit mutual benefit corporation, which is the homeowners' association with its membership comprised of all owners within the La Jolla Racquet Club as provided in the above described Declaration and the Bylaws of the La Jolla Racquet Club Condominium Owners' Association, Inc.

2. It is the further purpose and intent of this Restatement of the above described Declaration to preserve in full force and effect the limitations, covenants, conditions, and restrictions contained therein pertaining to the herein described real property, except to the extent the same are amended, added to, changed or otherwise clarified by this Restatement and Amendment to said Declaration.

NOW, THEREFORE, the undersigned hereby certify and declare that the above described Declaration is hereby further amended and restated in its entirety to provide for the general plan and purpose of protecting the value and desirability of all of the real property described herein, and all of said real property shall be hereinafter held, used, occupied, leased, sold, encumbered, conveyed and transferred subject to the limitations, covenants, conditions and restrictions hereinafter set forth, all of which shall inure to the benefit of, be binding upon and pass with said real property, including the incidents or appurtenances thereto, and shall inure to the benefit of, and apply to and bind the respective successors in title or interest of the owners of said real property, or any portion thereof or interest therein.

ARTICLE I

DEFINITIONS

In addition to the terms elsewhere defined herein, the following terms shall have the following meanings whenever used in this Declaration:

1.1 Declarant: Lincoln-Bren Joint Venture, a joint venture of Lincoln Property Company No. Fifty, Inc., a California corporation, and Peter Bren.

1.2 Owner: The record owner, or owners if more than one, of a Condominium, including Declarant.

1.3 Project: The real property subject to this Declaration, divided or to be divided into Condominiums, together with all structures and improvements now or hereafter constructed on said real property.

1.4 Condominium: A condominium as defined in Section 783 of the California Civil Code, being an estate in real property consisting of (a) a separate fee interest in the space within a Unit, and (b) an undivided fractional interest as a tenant in common in the Common Area.

1.5 Unit: The elements of a Condominium which are not owned in common with the other Owners. The boundaries of the Units in the Project are as shown and defined on the Condominium Plan.

1.6 Common Area: The Project, excepting all Units therein granted or reserved. Notwithstanding anything to the contrary in the Condominium Plan, the Common Area includes, of any building schematically or otherwise shown on the Condominium Plan, the following: bearing walls, columns, floors, roofs, foundations, elevator equipment and shafts, central heating, central refrigeration and central air conditioning equipment, reservoirs, chutes, conduits, wires and other utility installations, wherever located, except those wires and other utility installations located within a Unit which serve only that particular Unit.

1.7 Association: La Jolla Racquet Club Condominium Owners' Association, Inc.

1.8 Board: The Board of Directors of the Association.

1.9 Articles; Bylaws: The Articles of Incorporation and Bylaws of the Association.

1.10 Member: Every person or entity holding membership in the Association.

1.11 Declaration: This Declaration, as from time to time amended.

1.12 Mortgage: A mortgage or deed of trust of record encumbering a Condominium. The term "Mortgagee" shall include the beneficiary and the term "Mortgagor" shall include the trustor under a deed of trust.

ARTICLE II

MANAGEMENT BY THE ASSOCIATION

2.1 Organization. The Association is a California corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor the Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The Board of Directors of the Association and such officers as the Board may elect or appoint shall conduct the affairs of the Association in accordance with the Articles and Bylaws as from time to time amended.

2.2 Membership. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Condominium owned. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws, and the Association Rules as the same may from time to time be amended. The membership of each Owner in the Association shall be appurtenant to the Condominium giving rise to such membership, and shall not br assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to such Condominium, and then only to the transferee of title thereto. Any transfer of title to a Condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

2.3 Voting.

(a) At all meetings of Members, each Condominium shall be entitled to that proportion of the total voting power of the Members which the interest in the Common Area appurtenant to that Condominium bears to the entire Common Area. In no event shall the voting power attributable to any Condominium be divided on any question. If more than one person is the Owner of the Condominium, and such persons are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any such person or persons jointly owning a certain Condominium casts a vote representing that Condominium, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other such persons.

(b) Every Owner entitled to vote at an election for members of the Board shall have the right to cumulate his votes nd give one candidate, or divide among any number of candidates, a number of votes equal to the number of votes such Owner is otherwise entitled to, multiplied by the number of directors to be elected.

2.4 Duties of the Association. The Association shall have the obligation to perform each of the following duties:

(a) Subject to the provisions of Paragraph 2.7, to maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon, and all property that may be acquired by the Association.

(b) To pay water (including sewer service) charges with respect to the Common Area and the Units, and to pay charges for gas and electricity with respect to the Common Area.

(c) To obtain and maintain in force the policies of insurance specified in Paragraph 2.6.

(d) To assign parking spaces in the Common Area to Owners.

(e) To pay taxes and assessments which are or could become a lien on the Common Area, or any portion thereof.

(f) To contract for materials and/or services for the Common Area or the Association with the term of any service contract limited to a duration of one year except with the approval of a majority of the voting power of the Association.

(g) To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to carry out and enforce any of the provisions of this Declaration and the Association Rules.

2.5 Powers and Authority of the Association. The Association shall have all of the powers of a corporation organized under the General Nonprofit Corporation Law of the State of California, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and the Bylaws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including without limitation the power and authority:

(a) To levy assessments on the Owners and to enforce payment of such assessments, all in accordance with the provisions of ARTICLES III and IV.

(b) To enter into or upon any Unit or the Common Area for the purpose of performing the duties of the Association set forth in Paragraph 2.4 of this Declaration to enforce by peaceful means any of the provisions of this Declaration or maintain or repair any area required to be maintained by an Owner if for any reason whatsoever such Owner fails to maintain or repair such area. Any such entrance into a Unit shall be after twenty-four (24) hours prior written notice to the Owner, or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency.

(c) To grant and convey to any third party easements and rights-of-way in, on over or under the Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any similar public or quasi-public improvements or facilities.

(e) By a majority vote of the Board, and from time to time, to adopt, amend, enforce and repeal such rules and regulations as the Board shall determine to be necessary or proper for the operation of the Common Area (the "Association Rules"). The Association Rules shall govern the use of the Common Area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if set forth in this Declaration. Such Rules and Regulations shall be enforceable by imposing reasonable monetary penalties, suspension of privileges and other appropriate discipline as provided in the Bylaws and the enforcement Article of this Declaration.

2.6 Insurance.

(a) The Association shall obtain and maintain in force comprehensive public liability insurance insuring the Association, the Manager, if any, the Declarant and the Owners, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area and including, if obtainable, a cross liability endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than $1,000,000 for death of or injury to any one person and $3,000,000 for death of or injury to more than one person in any one occurrence, and $100,000 for property damage in any one occurrence.

(b) The Association shall also obtain and maintain in force a master or blanket policy of fire and casualty insurance for the full insurable value of all of the improvements within the Project. Such policy and any endorsements thereon shall be in the form and content, for such term and in such company as may be satisfactory to any Mortgagee; and, if more than one Mortgagee has a loan of record against the Project, or any part thereof, such policy and endorsements shall meet the maximum standard of the various Mortgagees represented in the Project. Such policy shall contain extended coverage and replacement cost endorsements, if available, and may also contain vandalism and malicious mischief coverage, special form endorsement, stipulated amount clause, and a determinable cash adjustment clause, or a similar clause to permit cash settlement covering full value of the improvements in the event of partial destruction and decision not to rebuild. Such policy shall be in such amounts as determined from time to time by the Board, shall name as insured the Association, the Owners and Declarant, so long as Declarant is the Owner of any of the Condominiums, and all Mortgagees as their respective interests shall appear, and shall contain a loss payable endorsement in favor of the trustee hereinafter described.

(c) All insurance proceeds payable under Paragraph 2.6(b) and subject to the rights of the Mortgagees under Paragraph 2.6(f), shall be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank, or branch thereof, in San Diego County, California, which has agreed in writing to accept such trust. In the event repair or reconstruction is authorized, the Board shall have the duty to contract for such work as provided for herein.

(d) The Board may purchase and maintain in force demolition insurance in adequate amounts to cover demolition in the event of total or partial destruction and decision not to rebuild. The Board shall also purchase and maintain workmen's compensation insurance, to the extent that the same shall be required by law, for all employees of the Project. The Board may also purchase and maintain fidelity bonds, insurance on commonly-owned personal property, and such other insurance as it deems necessary.

(e) An Owner may carry such personal liability and property damage insurance respecting his Unit as he may desire; however, any such policy shall include a waiver of subrogation clause.

(f) With respect to insurance coverage under Paragraph 2.6(b), any Mortgagee shall have the option to apply insurance proceeds payable to him in reduction of the obligation secured by his Mortgage.

2.7 Exterior Maintenance of Buildings and Common Area. The Association shall provide exterior maintenance of each building within the Project which houses the Units, which maintenance shall include and be limited to painting, maintaining, repairing and replacing roofs, gutters, downspouts and exterior building surfaces, when and if required by reason of normal wear and tear or deterioration, and maintenance of landscaping within the Common Area, including trees, shrubs, grass and walkways.

The Association shall also maintain all hallways, corridors, entryways, stairways, elevators, and other common interior areas of such buildings and all exterior areas within the Common Area including balcony, patio and back yard areas adjacent to the Units. To perform these services, the

Association shall employ the services of a person or firm ("the manager") upon the best terms available.

Each Owner shall be responsible for the maintenance and repair of the interior of his Unit, all glass surfaces included in, attached or appurtenant to his Unit, and shall also be responsible for the maintenance and repair of the plumbing and electrical systems servicing his Unit. In regard to plumbing, the Owner shall be responsible only to correct stoppages or drainage problems within the plumbing servicing his Unit from the primary mainline to the fixture outlet in his Unit. In regard to electrical systems, the Owner shall be responsible only to maintain, repair and replace the electrical fixtures or outlets located within his Unit. Each Owner shall be solely responsible for the maintenance, repair or replacement of all appliances, fixtures, or equipment located within his Unit.

If an Owner shall fail to perform such maintenance or make such repairs or replacements as are his responsibility, then, upon the vote of a majority of the members of the Board, the Association shall have the right (but not the obligation) to enter into or upon the Condominium of such Owner and provide such maintenance or make such repairs or replacements, and add the cost thereof to the assessments chargeable to such Owner, which shall be an assessment against the Owner's Unit and the personal obligation of the Owner, enforceable and collectible in the same manner as any other assessment as provided in ARTICLE IX, Section 9.5 of this Declaration.

ARTICLE III

MAINTENANCE ASSESSMENTS

3.1 Covenant to Pay Assessments. Declarant covenants for each Condominium owned, and each Owner other than Declarant, by acceptance of a deed to a Condominium, shall be deemed to covenant to pay regular assessments and special assessments for capital improvements levied as hereinafter provided. The regular and special assessments, late charges, together with interest and costs of collection as hereinafter provided, shall be a charge on the real property and shall be a continuing lien upon the Condominium against which each such assessment is made. Each such assessment, late charge, together with such interest and costs, shall also be the personal obligation of the person who was the owner of such Condominium at the time such assessment became due and payable.

3.2 Basis of Regular Assessment.

(a) Within thirty (30) days prior to the beginning of each calendar year, the Board shall estimate the charges required to be paid by the Association in performing its functions for the Project during such calendar year, including a reasonable provision for contingencies and less any surplus from the prior year's fund. Such amount ("the estimated cash requirement") shall be assessed to all Owners in equal shares in December of each year for the following year. If the estimated cash requirement proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a further asessment which shall be assessed to the Owners in the same manner. Except as herein otherwise provided, each Owner shall pay assessments levied pursuant to this Article to the Association in equal monthly installments commencing upon the first day of January in the calendar year following the assessment.

(b) Any assessment levied and which becomes payable with respect to a Condominium prior to the initial sale thereof by Declarant shall be the obligation of Declarant as the Owner thereof.

(c) All funds collected hereunder, together with special assessments or charges elsewhere provided for in this Declaration, shall be controlled by the Declarant prior to the organizational meeting of the Members, and thereafter by the Board, and shall constitute the maintenance fund referred to herein.

(d) Within one hundred twenty (120) days after the end of each calendar year, the Board shall prepare and distribute to all Owners a report with respect to the use of the maintenance fund for such year which shall include a statement of cash income and expenditures and any amount remaining in such fund as of the end of such year as provided in the Bylaws.

3.3 Special Assessments for Capital Improvements. In addition to the regular assessments authorized above, the Association may levy in any one calendar year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost or expense of discharging a duty imposed by this Declaration or the Bylaws; provided, however, that in any fiscal year, the Board shall not, without the vote or written assent of a majority of the voting power of the Association, levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceeds fifteen percent (15%) of the budgeted gross expenses of the Association for that fiscal year.

3.4 Proportionate Rate of Assessment. Each Owner shall be assessed and shall pay that proportion of the total regular and special assessments as such Owner's interest in the Common Area bears to the total Common Area.

3.5 Date of Commencement of Regular Assessments. The regular assessments provided for herein shall commence as to all Condominiums on the first day of the month following the conveyance of the first Condominium to an Owner other than Declarant.

3.6 Certificate of Payment. The Association shall, within ten (10) days after demand and upon payment of a reasonable fee not to exceed $10.00, furnish a certificate signed by an officer of the Association stating whether assessments on a Condominium have been paid.

ARTICLE IV

ENFORCEMENT OF ASSESSMENTS

4.1 Delinquency. Any assessment provided for in this Declaration which is not paid when due, shall be delinquent. With respect to each assessment not paid within thirty (30) days after its due date, the Association may, at its election, require the Owner to pay a "late charge" in a sum to be determined by the Association but not to exceed Ten Dollars ($10.00) per each delinquent assessment, or as provided by law. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date due at the rate of ten percent (10%) per annum. All costs or expenses of collection of delinquent assessments shall become a part of the delinquent assessment against the affected Unit and shall also be the personal obligation of the affected Unit Owner.

4.2 Assessment Lien. Any delinquent assessment or assessments together with interest and late charges in accordance with Paragraph 4.1 shall be and become a lien upon the Condominium against which such delinquent assessment or assessments were levied upon the recording in the San Diego County Recorder's Office of a notice of assessment as provided in Section 1356 of the California Civil Code. A notice of assessment shall not be recorded until fifteen (15) days after the delivery to the delinquent Owner of a written notice of default and demand to cure such default and unless the delinquent Owner shall not have cured the default within such fifteen-day period.

4.3 Foreclosure of Lien. The Association or it agent may enforce any lien established pursuant to Paragraph 4.2 by sale, such sale to be conducted in accordance with the provisions of Sections 2924, 2924b and 2924c of the Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. In the event the enforcement of such lien is by action in Court, reasonable attorneys' fees shall be allowed to the extent permitted by law. In the event of enforcement in the manner provided by law for the exercise of powers of sale in mortgages and deeds of trust, the Association shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. If any such default is cured prior to sale or other enforcement of such liens, the Board shall cause to be recorded a certificate setting forth the satisfaction and release of such lien, upon payment by the delinquent Owner of actual expenses incurred by the Association including reasonable attorneys' fees.

4.4 Legal Action. In addition to the right of lien herein set forth, the Association may bring a suit at law against a delinquent Owner to enforce his assessment obligation. Any judgment rendered in such an action shall include a sum for reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner.

ARTICLE V

PROPERTY RIGHTS AND EASEMENTS

5.1 Undivided Interest in Common Area. There shall be conveyed to each Owner in the Project together with his respective Unit an undivided fractional interest in the Common Area as set forth in Exhibit "A" attached hereto and incorporated herein by this reference. Declarant, its successors, assigns and grantees, covenant and agree that the undivided interests in the Common Area and the fee title to the respective Units conveyed therewith shall not be separate or separately conveyed, and each such undivided interest shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

5.2 Rights in Common Area. Every Member shall have a right and nonexclusive easement of enjoyment and a nonexclusive easement for ingress and egress in, to, over and through the Common Area. Such easements shall be appurtenant to and shall pass with the title to every Condominium, subject to the following:

(a) The right of the Association to limit the number of guests of Members.

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(c) The right of the Association to adopt Association Rules regulating the use and enjoyment of the Common Area by the Members, their guests, family, invitees, licensees, and lessees in accordance with the Bylaws of the Association.

(d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by a Member for any period during which any assessment against his Condominium remains unpaid and delinquent and for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Association, provided that any suspension of such voting rights or right to use the recreational facilities, except for failure to pay assessments, shall be made only by the Association or a duly appointed committee thereof, after notice and hearing given and held in accordance with the Bylaws of the Association.

5.3 Delegation of Use. Any Member may delegate his right of enjoyment to the Common Area and recreational facilities to the members of his family, his tenants, or contract purchasers who reside in his Condominium.

5.4 Waiver of Use. No Member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Condominium owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and recreational facilities thereon or by abandonment of his Condominium.

5.5 Additional Provisions Relating to Common Area. The Declarant, its successors and assigns, and all future Owners of Condominiums, by acceptance of their respective deeds, covenant and agree as follows:

(a) Except as provided in Section 752b of the California Code of Civil Procedure, the Common Area shall remain undivided; no Owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project.

(b) If any portion of the Common Area encroaches upon the Condominiums, there shall be a valid easement for the encroachment and for the maintenance thereof, so long as it exists. In the event a structure is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments on parts of the Common Area due to construction shall be permitted and that valid easements for such encroachment and the maintenance thereof shall exist.

(c) The Common Area is and shall always be subject to easements for minor encroachments thereon of a Condominium; a nonexclusive easement for ingress, egress and support through the Common Area is appurtenant to each Condominium; and the Common Area is subject to such easements.

ARTICLE VI

USE RESTRICTIONS

The use of the Project and each Condominium therein shall be restricted in accordance with the following provision in accordance with all other covenants, conditions and restrictions herein contained:

6.1 Residential Use.

Each Unit shall be improved, used and occupied exclusively for single-family dwelling purposes only. Occupancy of any Unit, whether by reason of ownership, rental, lease, license, permit, right of access, concession, or otherwise, shall be limited to use by the same authorized occupant or occupants for a period of not less than a six-month term at a time; provided, however, within each calendar year there may be a single lease or rental of a Unit for a term shorter than a six-month term subject to the occupancy limits specified in this section. The term "occupancy" shall mean use of a Unit as the residence of the authorized occupants thereof. The term "authorized occupants" shall mean those natural persons authorized to occupy a Unit as designated by the Owner thereof. Each Owner shall give the Association written notice of any change in occupancy status of his Unit within ten (10) days of any such change, designating by full name all natural persons who are the authorized occupants of his Unit. At no time shall occupancy or authorized occupants exceed the limit of: three (3) persons per one-bedroom Unit; five (5) persons per two-bedroom Unit; or seven (7) persons per three-bedroom Unit. Designated, authorized occupants may have temporary guests or visitors consistent with the occupancy limits and use restrictions imposed by this section or as provided in duly adopted and published rules and regulations of the Association not inconsistent with this section or any other provision of this Declaration.

It is the express intention of the Owners in adopting the provisions of this section to preserve the private, single-family residential character of La Jolla Racquet Club by imposing the foregoing use and occupany restrictions. It is the intent of the Owners to preserve the quiet enjoyment of all Unit Owners of the respective living Units and their right to use of the Common Area facilities at the project. These use and occupancy restrictions are intended to preclude short-term, transient or hotel-type use or occupancy of the Units for the protection, preservation and proper operation of the Project and the purposes of the Association as set forth in the Articles, Bylaws and this Declaration governing the affairs of the Association.

Any breach or violation of the provisions of this section may be enjoined, abated or remedied by appropriate proceedings at law or in equity by any Owner or the Board of Governors of the Association, and the prevailing party to any such action or proceeding shall be entitled to costs of suit and expenses including reasonable attorney's fees as a part of judgment awarded by a Court of competent jurisdiction.

6.2 Alterations. No building, fence, wall or other structure or improvement shall be constructed or maintained upon the Project, nor shall any exterior addition, change or alteration be made in, on or to the Project, or any part thereof, by anyone other than Declarant, without the prior written approval of the Board. Nothing shall be done in any Unit which would impair the structural integrity of any building or which would structurally change any building in the Project.

6.3 Commercial Use. No part of the Project shall ever be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose; provided, however, that Declarant, its successors or assigns, may use the Project for a model site, and display and sales office during the sales period.

6.4 Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Project or any Condominium, except signs used by Declarant, its successors or assigns, to advertise the Project during the sales period.

6.5 Lawful Use. No noxious, offensive or unlawful activity shall be carried on in or upon any Condominium or any part of the Project, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Condominium, or which shall in any way increase the rate of insurance on the Project or any part thereof.

6.6 Animals. One (1) pet, consisting of one (1) domesticated dog or one (1) cat or other commonly accepted household pet; or caged birds; or fish in a household aquarium may be kept and maintained in a Unit, provided such pets are kept for non-commercial purposes, and further provided such pets shall not in the opinion of the Board create an unreasonable annoyance or nuisance to the Owners. Such pets shall not be permitted in the Common Area except in accordance with the Association Rules. No other animals shall be kept, maintained or permitted on or in the Project without the written consent of the Board.

6.7 Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Project, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted upon the surface of the Project or within five hundred (500) feet below the surface of the Project. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Project.

6.8 Trash Removal. All rubbish, trash and garbage shall be regularly removed from the Condominiums, and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, woodpiles, storage areas and machinery and equipment shall be kept concealed from the view of neighboring Units, streets and the Common Area.

6.9 Maintenance. Each Owner shall have the right, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, and perimeter walls of his Unit and the surfaces of the bearing walls and partitions located within such Unit. Each Owner shall have the right to substitute new finished surfaces in place of those existing on said ceilings, floors, walls and partitions.

6.10 Balcony Storage. No Owner shall permit, place or store any item or material on the exterior balcony or patio area of his Unit which creates a hazardous or unsightly condition thereon. This provision shall be enforceable by the Board by all available provisions of this Declaration.

ARTICLE VII

DAMAGE OR DESTRUCTION

7.1 Insurance Proceeds Sufficient. In the event of damage to or the partial destruction of the improvements in the Project, and if the available proceeds of the insurance carried pursuant to ARTICLE II hereof are sufficient to cover not less than eighty-five percent (85%) of the cost of repair or reconstruction thereof, the damaged or destroyed improvements shall be promptly repaired and rebuilt unless, within ninety (90) days from the date of such damage or destruction at a duly constituted meeting of the Association, Members representing seventy-five percent (75%) of the total voting power of the Association determine that such repair and reconstruction shall not take place.

7.2 Insurance Proceeds Insufficient. If the available proceeds of such insurance are less than eighty-five percent (85%) of the cost of repair or reconstruction, such repair or reconstruction may, nevertheless, take place if within ninety (90) days from the date of such damage or destruction Members representing a majority of the total voting power of the Association so elect at a duly constituted meeting of the Association.

7.3 Assessments. If the Owners determine to rebuild, either pursuant to Paragraph 7.1 or 7.2 above, each Owner shall be obligated to contribute such funds as may be necessary to pay his proportionate share of the cost of reconstruction, over and above the insurance proceeds, and the proportionate share of each Owner shall be the same as his proportionate interest in the Common Area. In the event of the failure or refusal of any Owner to make his proportionate contribution, the Board may levy a special assessment against such Owner, and enforce such assessment as provided in ARTICLE IV hereof.

7.4 Contractor. If the Owners determine to rebuild, the Board shall obtain bids from at least two (2) reputable contractors and award the reconstruction work to the lowest bidder. The Board shall have the authority to enter into a written agreement with such contractor for such reconstruction, the insurance proceeds to be disbursed by the trustee pursuant to Paragraph 2.6. The Board shall take all necessary actions to assure the commencement of such reconstruction within one hundred twenty (120) days after such destruction and the diligent prosecution of such reconstruction to completion.

7.5 Failure to Rebuild. If rebuilding shall not be authorized either pursuant to Paragraph 7.1 or 7.2 above, any available insurance proceeds shall be distributed among the Owners and mortgagees of the damaged improvements (including the Association with respect to the Common Area) as their interests may appear in such a way as to give consideration to the relative degree of damage to such improvements and the relative original value of improvements which have sustained the same degree of damage.

7.6 Interior Repairs. Any reconstruction undertaken pursuant to the foregoing provisions shall cover only the exterior and structural components of the damaged or destroyed Condominiums and such other damage to such Condominiums as may be covered by insurance maintained by the Association. If a destroyed Condominium is so rebuilt, the Owner of such Condominium shall be obligated to repair and rebuild the damaged portions of the interior of his Unit in a good and workmanlike manner at such Owner's expense.

7.7 Arbitration. In the event of a dispute among the Owners with respect to the provisions of this Article, any Owner may cause such dispute to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration, notice thereof shall be given to the Board and all other Owners within ten (10) days after reference to arbitration, and all Owners shall have an opportunity to appear in such arbitration proceedings. The decision of such arbitrator shall be final and conclusive upon all Owners. The arbitrator may include in his decision an award for costs and/or attorneys' fees against any one or more parties to the arbitration.

ARTICLE VIII

RIGHTS OF LENDERS

(a) Any condominium Owner may encumber his Condominium by deed of trust or mortgage. The beneficiary of the deed of trust or the mortgagee of a mortgage is referred to in this paragraph as a "Lender."

(b) A breach of any of the provisions of this Declaration shall not affect or impair the lien or charge of any bona fide deed of trust or mortgage made in good faith and for value encumbering any of the condominiums.

(c) A Lender who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is non-curable or of a type which is not practical or feasible to cure.

(d) It is intended that any loan to facilitate the resale of any Condominium after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Lenders.

(e) All liens created by this Declaration which pertain in any manner or way whatsoever to any regular or special assessment for the payment of money shall be subordinate to the lien created by any bona fide deed of trust or mortgage given to any Lender. It is specifically understood, however, that any such Lender shall be liable for all assessments during the actual period of time that Lender holds title to a Condominium. This liability for assessments on the part of the Lender is on a pro-rata basis with the pro-rata period commencing on the date the Lender acquires title and ending upon resale or other transfer by the Lender, whereupon the liability for new future assessments will attach to the transferee.

(f) No amendment to this paragraph shall affect the rights of the holder of any such mortgage or trust deed recorded prior to recordation of such amendment who does not join in the execution thereof.

(g) Because of its financial interest in the project, a Lender may appear (but may not vote) at meetings of the voting Owners and the Board to draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or assessments.

(h) A Lender is authorized to furnish information to the Board concerning the status of any loan encumbering a Condominium.

(i) All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses naming the Lenders who encumber Condominiums by deed of trust or mortgage, as their interest may appear.

(j) If there is any conflict between any provision of this "Rights of Lenders" Article and other provisions of this Declaration, the language contained under "Rights of Lenders" shall control.

(k) The Board shall give thirty (30) days prior written notice to each Lender represented in the Project of (i) any amendment or alteration of the Declaration, the Bylaws or the Articles, and (ii) any change of Manager of the Project.

(l) The Board shall given written notice to a Lender of any default by the Mortgagor in the performance of such Mortgagor's obligations under the Declaration, which default is not cured within thirty (30) days. Such notice shall be given by the Board within ten (10) days after the expiration of such thirty-day period.

(m) The Board shall provide each Lender with the Association's budget annually and thirty (30) days prior written notice of its annual and special meetings.

ARTICLE IX

ENFORCEMENT

9.1 General. A breach of any of the covenants, conditions or restrictions contained in this Declaration (other than a breach by failure to pay fees and assessments to the Association) which is not cured within ten (10) days from the date notice of breach is given to the party committing or permitting the breach, or whose act or omission constitutes such breach, shall give to the Association, any owner, and the Board, the remedies hereinafter set forth.

9.2 Monetary Penalties, Etc. In addition to any proceedings at law or in equity under this Article, the Association shall have the right to enforce a default, breach or violation of any provision of the Bylaws or this Declaration, including duly adopted rules and regulations of the Association, by imposing monetary penalties, temporary suspensions of the owner's rights (including rights delegated to tenants or guests, e.g., use of common area recreational facilities) as a Member of the Association for a period not to exceed thirty (30) days for each violation and/or other appropriate discipline for failure to comply with any provision thereof, provided that any such procedure gives at least fifteen (15) days' prior written notice of the proposed penalty, suspension or discipline and states the reasons therefor; provided further, that not less than five (5) days before the effective date of the penalty, suspension or discipline, the accused Owner is given an opportunity to be heard orally or in writing before a final decision to impose any such penalty, suspension or discipline is reached, as more fully provided in the Bylaws. In the event monetary penalties are imposed according to this provision and the same remain unpaid ten (10) days after the same becomes due, then the delinquency shall become a lien and charge against the Owner's unit, enforceable against the Owner in the same manner as a delinquent assessment under this declaration. All notices to the Owner required under this provision may be given by any method reasonably calculated to provide actual notice, and if the notice is given by mail, it must be given by first class, registered or certified mail sent to the last address of the Member shown on the Association's records.

9.3 Legal Proceedings, Etc. A breach as set forth in Section 9.1 above and the continuation of any such breach may be enjoined, abated or remedied by appropriate proceedings at law or in equity by any owner, by declarant or the successor in interest of declarant, or the Board of Directors of the Association. It is hereby agreed and acknowledged that damages at law for such breach are inadequate.

9.4 Breach as Nuisance. The results of every act or omission which is a breach as set forth in Section 9.1 above is hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance shall be applicable against every such result and may be exercised by any Owner, by declarant or its successors in interest, or the Board.

9.5 Maintenance/Repair Obligations. In the event an Owner fails to maintain, repair or replace the items set forth as being within the Owner's responsibility to maintain, repair and/or replace in this Declaration, in such manner as shall be deemed necessary in the judgment of the Board for reasons of safety, preservation of the attractive appearance thereof and protection of the value thereof, the Board shall give written notice of the need for such maintenance, repair or replacement to the living unit Owner, requesting the needed action to be accomplished, whether repair, maintenance or replacement. Such notice shall give the living unit Owner thirty (30) days from the date of such notice to accomplish the requested action or performance. Provided, however, that in the event of an emergency situation which threatens damage or loss of property or life, the Board shall have the power to perform the needed action without notice if reasonable efforts are made to give actual notice to the Owner. In the event the Owner fails to carry out the requested action whether it be maintenance, repair or replacement pursuant to this section, the Association, after approval by a majority vote of the Board, shall have the right, through its agents and employees, to enter said unit and cause the work to be done. The cost of such work shall be added to and become part of the assessment to which such unit is subject.

9.6 Remedies Cumulative. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

9.7 Waiver Provision. The failure of Declarant, the Board, or any owner to enforce any of the provisions contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability on Declarant, the Board or any owner.

ARTICLE X

GENERAL PROVISIONS

10.1 Binding Effect; Term. The covenants, conditions and restrictions of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by the Association, or any Owner, their respective legal representatives, heirs, successors and assigns. Each and all of the covenants, conditions and restrictions of this Declaration shall continue in force for a period of forty (40) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless seventy-five percent (75%) of the Owners shall have executed and recorded within six (6) months prior to the end of said forty-year period or any subsequent ten-year period an instrument by which it is agreed that said covenants, conditions and restrictions shall terminate at the end of said forty (40) year period or said subsequent ten (10) year period, as the case may be.

10.2 Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether the relief sought is negative or affirmative action, by Declarant, the Association or any Owner.

10.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of the Project or any part thereof is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

10.4 Amendments. This Declaration may be amended only by an affirmative vote of Members representing at least seventy-five (75%) percent of the voting power of the Association. No amendment to this Declaration shall be valid which would tend to defeat the priority position of a Mortgagee with respect to its lien or which would make the Mortgage illegal under then applicable governmental regulations unless consent is obtained in writing from such Mortgagee.

10.5 Condemnation. In the event that all or part of the Project shall be condemned by any governmental body having the right of eminent domain, the compensation for such condemnation shall be distributed to the Owners and their respective Mortgagees, as their interests shall appear, on the basis of each Owner's interest in the Common Area, unless the judgment of condemnation shall, by its terms, otherwise apportion such compensation among the Owners.

10.6 Construction. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the development of a condominium residential community and for the maintenance of community common recreational facilities and community common areas. The Article and Paragraph headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

10.7 Notices. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, such notice or document shall be deemed to have been delivered and received twenty-four (24) hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

(a) If to the Association, at the address designated by resolution of the Board of Directors;

(b) If to an Owner, to the address of any Condominium owned in whole or in part by him or to any other address last furnished by an Owner to the Association;

(c) If to Declarant, at 310 North San Vicente Boulevard, Los Angeles, California 90048;

provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the Association. Each Owner shall file the correct mailing address of such Owner with the Association and shall promptly notify the Association in writing of any subsequent change of address.

10.8 Cumulative Remedies. Each remedy provided by this Declaration is cumulative and not exclusive.

10.9 Partial Invalidity. The invalidity or partial invalidity of any provision of this Declaration shall not affect the validity or enforceability of any other provision.

10.10 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

EXHIBIT "A"

LA JOLLA RACQUET CLUB
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

Each Condominium shall consist of the numbered unit listed below as shown on the Condominium Plan and the fractional undivided interest in the Common Area set forth opposite such unit below.

UNIT NO.	UNDIVIDED INTEREST IN COMMON AREA	UNIT NO.	UNDIVIDED INTEREST IN COMMON AREA
D29	1/171	B38	3/171
D39	1/171	B39	3/171
		C11	3/171
A11	2/171	C12	3/171
A12	2/171	C13	3/171
A13	2/171	C14	3/171
A14	2/171	C21	3/171
A15	2/171	C22	3/171
A16	2/171	C23	3/171
A21	2/171	C24	3/171
A22	2/171	C31	3/171
A23	2/171	C32	3/171
A24	2/171	C33	3/171
A25	2/171	C34	3/171
A26	2/171	D15	3/171
A31	2/171	D16	3/171
A32	2/171	D17	3/171
A33	2/171	D18	3/171
A34	2/171	D25	3/171
A35	2/171	D26	3/171
A36	2/171	D27	3/171
F11	2/171	D28	3/171
F12	2/171	D35	3/171
F13	2/171	D36	3/171
F14	2/171	D37	3/171
F15	2/171	D38	3/171
B17	3/171	E21	4/171
B18	3/171	E22	4/171
B19	3/171	E23	4/171
B27	3/171	E24	4/171
B28	3/171	E25	4/171
B29	3/171	E26	4/171
B37	3/171		

As the owner of a beneficial interest in the Project under the Deeds of Trust described below, the undersigned hereby subordinates its interest in the Project to the foregoing Declaration of Covenants, Conditions and Restrictions.

1. Deed of Trust recorded September 1, 1972, File/Page No. 235590, Official Records of San Diego County, California.

2. Deed of Trust recorded September 1, 1972, File/Page No. 235592, Official Records of San Diego County, California. The beneficial interest under said deed of trust was assigned to the undersigned by assignment recorded September 1, 1972, File/Page No. 235593, Official Records of San Diego County, California.

UNION BANK, a California corporation

By [illegible]

By [illegible]

STATE OF CALIFORNIA)
) SS.
COUNTY OF San Francisco)

On this [illegible] day of [illegible] 1973 before me, the undersigned, a Notary Public in and for said State, personally appeared [illegible], known to me to be the [illegible] President, and [illegible] known to me to be Assistant Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

[illegible] GAGMON

[illegible]

Notary Public

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of La Jolla Racquet Club Condominium Owners' Association, Inc., a California Nonprofit Mutual Benefit Corporation, and

That the foregoing Restatement of Declaration of Covenants, Conditions and Restrictions La Jolla Racquet Club (Including Amendments) consisting of eighteen (18) pages including this page was duly adopted by the vote of the Members of the Association pursuant the Amendment Article of the Declaration on MARCH 31, 1985.

IN WITNESS WHEREOF, I declare under penalty of perjury that the foregoing is true and correct of my own personal knowledge, and I have subscribed my name hereunto and affixed the seal of this corporation on April 3, 1985 at San Diego, California.

Subscribed and sworn to before me this 3rd day of April, 1985.

Dawnetta Fischer NOTARY PUBLIC

In and for the County of San Diego, State of California.

OFFICIAL SEAL
DAWNETTA FISCHER
NOTARY PUBLIC - CALIFORNIA
SAN DIEGO COUNTY
My comm. expires SEP 19, 1986

Nancy Bevan Ward
Secretary
NANCY BEVAN WARD